

1 much.

2 MR. McLAUGHLIN: Aloha.

3 (Applause.)

4 COMMISSIONER ABERNATHY: Thank you very  
5 much, Mr. McLaughlin, for traveling so far and for  
6 sharing your concerns and your insights with us.

7 And now I'd like to introduce Mr. Tweedle,  
8 who's with Bonneville.

9 MR. TWEEDLE: Thank you, Commissioners and  
10 members of the public.

11 I'm a Senior VP with Bonneville, and part  
12 of my responsibilities is to oversee our three FM  
13 stations in San Francisco.

14 Bonneville has a longstanding company-wide  
15 commitment to serving the communities in which we  
16 operate. Our three local stations, KOIT, KDFC, and  
17 KZBR, are 100 percent locally programmed. In  
18 addition, all programming decisions are made locally  
19 and all on-air personalities are local residents.

20 We also pay close attention to local  
21 issues. Last year our three stations combined spent  
22 more than \$290,000 researching the concerns and needs

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1 and wants of Bay Area residents.

2 We're a moderately sized company, at best.  
3 Yet, last year our stations aired more than, company-  
4 wide, 215,000 minutes of public affairs programming,  
5 PSAs, and other community service projects worth \$50  
6 million dollars, all of it tailored to the local needs  
7 of the community.

8 Add to that another \$1.2 million dollars  
9 in employee volunteer hours, and it's evidence that  
10 Bonneville's actions back up its stated corporate  
11 philosophy.

12 We do it with enthusiasm since we are part  
13 of those communities. We want to invest in them  
14 because that's where we work and our families live.

15 And reflecting yet another significant  
16 corporate commitment to serving our communities,  
17 Bonneville provides each of our full-time employees 40  
18 paid hours a year to go out and work with local  
19 community groups.

20 (Applause.)

21 MR. TWEEDLE: In the San Francisco area,  
22 KDFC is the only one of the remaining only 30

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1 commercial classical stations left in America that  
2 actually has grown both in listeners and revenue over  
3 the last few years.

4 (Applause.)

5 MR. TWEEDLE: Our other four nets include  
6 KOIT, a light rock station, and KZBR, which last year  
7 became a country station. Significantly over the past  
8 five years, each station has won the National  
9 Association of Broadcasters Crystal Award for  
10 excellence in community service.

11 Last year KOIT and KDFC also received the  
12 NAB Marconi Awards for adult contemporary station of  
13 the year and classical music stations of the year,  
14 respectively.

15 We produce and air three local public  
16 affairs programs each week, "Positive Parenting,"  
17 which is a weekly programming addressing family and  
18 parenting issues.

19 "Today's World" is a program in which our  
20 news director interviews experts on timely Bay Area  
21 issues, and incidentally, we excerpt part of that  
22 program and run it each day at noon Monday through

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1 Friday on KOIT, which is that station's highest-rated  
2 time period, and frequently that station is actually  
3 one of the top-rated stations in San Francisco.

4 And the "Commonwealth Club" is a local  
5 public affairs forum that features nationally known  
6 speakers on a wide variety of topics.

7 Our three stations also broadcast more  
8 than four hours a week, and they're all music stations  
9 of locally produced news. We broadcast many public  
10 service announcements since they are a key element of  
11 localism and, frankly, a lot of the organizations  
12 couldn't survive, let alone prosper, without that  
13 media support.

14 The total value of the air time we  
15 contributed in 2003 to the Bay area was more than  
16 \$15,700,000 dollars. Last year alone, KOIT helped 22  
17 different nonprofit organizations, including Volunteer  
18 Match. We helped this organization pair one million  
19 volunteers with nonprofit activities.

20 This type of outreach to the broad  
21 community is something that local broadcasting is  
22 uniquely positioned and qualified to deliver. Our

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1 stations provide enormous efforts to helping community  
2 groups.

3 What may be unique, however, is that we  
4 also have created public service announcement  
5 workshops in which we teach local nonprofit  
6 organizations how to market themselves to the media.

7 As the primary source of classical music  
8 programming in San Francisco, KDFC actively supports  
9 music education, last year airing 78 hours of music  
10 education programs, and its annual Charity Sampler CD  
11 this year will top \$100,000 dollars in donations to  
12 childrens' program in Bay Area homeless shelters.

13 With more than 20 percent of the Bay Area  
14 population being Asian, KOIT this past May aired a  
15 month long campaign honoring Asian Heritage Month.  
16 Reflecting the diversity of the Bay Area, KOIT.com can  
17 be read in Spanish, Chinese, Japanese, Korean,  
18 Russian, and Italian.

19 Commissioners, we succeed in the Bay area  
20 and as a broadcasting company because our listeners  
21 know that we are truly part of their community. It's  
22 the only way I know how to operate a radio station.

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1 Localism is alive and well, at least with Bonneville.

2 Thank you very much.

3 (Applause.)

4 COMMISSIONER ABERNATHY: Thank you very  
5 much, Mr. Tweedle, and you've given us some very good  
6 insights in some of the things that you do that could  
7 be done by some of the other broadcast licensees.

8 So at this point I'd like to offer  
9 Commissioner Copps an opportunity to ask questions.

10 And just so you know, I know we're running  
11 late. I think all of the Commissioners are committed  
12 to staying and making sure that you get at least the  
13 two hours of open mic time that's in the agenda, and  
14 more if necessary. So I just wanted to make sure that  
15 was clear.

16 Commissioner Copps.

17 COMMISSIONER COPPS: I'll just ask one  
18 question because I think the most valuable part of  
19 this dialogue is going to be the public microphone  
20 part.

21 But, several of you mentioned digital  
22 television, and we are engaged in a transition to a

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1 digital TV, and one of the things that DTV will bring  
2 with it, of course, is the ability of stations to  
3 multi-cast so that the station that has one channel  
4 may have six program streams, and somebody who owns  
5 two stations that command these is going to have the  
6 ability to broadcast maybe 12 different program  
7 streams.

8 It obviously has huge effects on  
9 competition and power in communities and everything  
10 else, but I'm thinking in terms of the localism and  
11 the diversity.

12 You know, if this is done right, this  
13 transition, it has a wonderful opportunity to enhance  
14 localism and to enhance diversity, but I guess there's  
15 already 217 stations in the United States that are  
16 multi-casting.

17 My question is: is there anybody on this  
18 panel, on this side who has already testified who  
19 thinks that we can get there and develop that localism  
20 and diversity and potential DTV without a strong set  
21 of explicit public interest responsibilities . . .  
22 rather than just letting the magic of the marketplace

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1 or voluntary action resolve this?

2 MR. HESTON: For our success as  
3 broadcasters, we've said it up here. Localism is what  
4 sells tickets, and the reasons we have KSBW-DT and the  
5 reason that we have this programming on tonight and  
6 that we are looking at other opportunities for  
7 programming on those side channels, not the HD  
8 programming that we need to move forward for people to  
9 buy digital television, it absolutely is an  
10 opportunity.

11 But to have it regulated, what you've  
12 heard up here is the most successful operators do this  
13 because that's what comes back to you. If you do the  
14 right thing and if you do it well --

15 COMMISSIONER COPPS: Well, I didn't hear  
16 that in Professor Kaplan's comments for example.

17 DEAN SALZMAN: I can't speak for Marty,  
18 but I can speak for myself. Unless you do something  
19 about it, if you leave it up to the marketplace and  
20 leave it up to the people who own this, you see what  
21 happens. Nothing is going to change.

22 (Applause.)

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1 DEAN SALZMAN: I have lived through all  
2 kinds of different technology. When I started in  
3 broadcasting, we shot black and white and converted it  
4 from negative to positive on the air. That's how old  
5 I am.

6 But the point is that it doesn't matter  
7 what the technology is. The people who own the media  
8 will continue to do whatever they want to do to make  
9 the most profit, and unless you do something about it,  
10 it won't change.

11 (Applause.)

12 MR. HESTON: But ultimately the people  
13 decide what they want to watch and what they want to  
14 see.

15 AUDIENCE MEMBERS: No.

16 MR. HESTON: And the best operators - the  
17 best operators, the best operators doing the best job  
18 will, indeed, attract that audience and serve that  
19 audience to the best of their ability.

20 COMMISSIONER COPPS: Well, I think you've  
21 got a little bit of skepticism out here.

22 (Laughter.)

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1 COMMISSIONER COPPS: But let me just say I  
2 think the figures in Marty Kaplan's statement are  
3 really alarming and they're damning. You know, we  
4 talk a lot of times about how things have improved,  
5 and we look back in the 1950s, for example, as  
6 self-satisfied and fat and flabby.

7 I remember growing up and I guess the  
8 first presidential campaign I watched on television --  
9 that's how old I am -- was Dwight Eisenhower and Adlai  
10 Stevenson. Nobody has ever equated that, I guess,  
11 with the Lincoln-Douglas debates, but even then in  
12 1952 -- maybe it was '56 or both of them -- I remember  
13 every week on television you would have each candidate  
14 standing up for half an hour and doing a speech.

15 (Applause.)

16 COMMISSIONER COPPS: And it was not  
17 preempted. It was certainly commercial-free, and  
18 usually there was an issue that was specifically  
19 discussed, and now we're told, well, we have all of  
20 these new outlets. So we have so much more diversity,  
21 but I don't think the campaign coverage is any better.  
22 I think it's probably worse.

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1 And Marty's --

2 (Applause.)

3 COMMISSIONER COPPS: Marty's comments show  
4 that. The Grade the News Project is Stanford, and its  
5 greatest grade gave most of the Bay Area's TV stations  
6 C's and D's for their news coverage.

7 We've got to find a way out of this.  
8 We're in a country here in the middle of a war, in a  
9 health care crisis, in an education crisis, and all  
10 kinds of crises, and we're reading about who's ahead  
11 in the polls and what's the latest candidate's  
12 advertisement say. What has the journalism come to  
13 and what's the media come to?

14 (Applause.)

15 COMMISSIONER ABERNATHY: Okay. We'll now  
16 move on to Commissioner Adelstein if you have any  
17 questions.

18 COMMISSIONER ADELSTEIN: Well, it just  
19 seems like a fruitful debate we're having here. I  
20 wanted to continue this out a little bit.

21 I mean, the statement from Professor  
22 Kaplan that Dean Salzman read to us is just really,

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1 really damning. I mean, it's alarming. It's. . .  
2 it's . . . every time I heard it, and I've heard it  
3 before, it just makes me mad.

4 But I wonder is there any rebuttal to it.  
5 I mean, we've had this study out here for years, and  
6 the National Association of Broadcasters I see is  
7 here. If it's wrong, then they ought to let us know,  
8 and if it's not wrong, they ought to do something  
9 about it because --

10 (Applause.)

11 COMMISSIONER ADELSTEIN: -- it's  
12 outrageous.

13 I mean, those statistics are just  
14 outrageous. Now, we do have here, you know, in  
15 fairness, you have Hearst-Argyle here. We have you  
16 represented in Mr. Heston, and they won the award.  
17 They stood up to the plate, and they said they're  
18 going to do five minutes a night.

19 Now, it's pretty pitiful when you have to  
20 ask people to do five minutes a night in the 30 days  
21 before the election, considering that they're taking  
22 in \$1.2 billion in political advertising using the

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1 public airways.

2 (Applause.)

3 COMMISSIONER ADELSTEIN: But you know, as  
4 pitiful as that may seem, it's actually a very big  
5 deal because others aren't doing it, and those who  
6 agreed to do the five minutes, and I challenge  
7 broadcasters to do it, are according to the study  
8 doing three times as much political campaign coverage  
9 as those who didn't even bother to do that.

10 And this year we have a handful of  
11 stations, again. Hearst-Argyle again this year agreed  
12 to do that, but most of them aren't agreeing to do  
13 that. I mean, I haven't heard from the vast bulk of  
14 broadcasters.

15 So we say the marketplace drives it, and  
16 I'd like to hear a little bit about the success that  
17 we have here. I mean, in a sense, first, Hearst-  
18 Argyle is doing something right compared to the other  
19 broadcasters, but what we apparently have is market  
20 failure in economic terms.

21 I mean, the market is not working because  
22 I talked to one news director who said that election

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1 coverage is ratings poison. Now, maybe that's not  
2 true, but that is apparently the prevailing attitude  
3 among news directors in this country, and it's borne  
4 out by these statistics unless somebody can prove them  
5 wrong, and nobody has bothered to even try.

6 So, to hear from you about how do you get  
7 news directors to say that this is worth covering, how  
8 do you make it exciting enough?

9 And from other people, you know, what can  
10 we do to get broadcasters to do their  
11 responsibilities, to do the kind of coverage that the  
12 public deserves to get so that they can make the big  
13 decisions that are before them in the election?

14 MR. HESTON: Well, Commissioner and  
15 Commissioner Copps, I can't do a tutorial on good  
16 television, but a good news operation, politics is the  
17 life blood of our democracy, and if you can't capture  
18 that on television news, then you shouldn't be in the  
19 business of television news.

20 And it's not about sensationalism. It's  
21 about local issues that affect all of the people that  
22 watch our television station, that watch in this area.

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1 And if we don't do that, for 50 years KSBW wouldn't be  
2 the station that it is.

3 I would suggest, Commissioner Copps, that  
4 with all due respect, we could put on a thousand hours  
5 on a thousand outlets of people standing and talking  
6 about issues, but that doesn't mean that people will  
7 come to hear them.

8 What we try to do is put on --

9 (Applause.)

10 MR. HESTON: What we try to do is put on  
11 political coverage that's relevant and that people  
12 will actually see and it will have an impact.

13 Just as with public affairs programming,  
14 we could put on all 24-hour a day public affairs  
15 programming, just one half hour of a talking head  
16 after another, but by capturing it in a highly rated,  
17 highly robust local news, the real issues go out to  
18 the community that we serve.

19 MR. TWEEDLE: Excuse me. I am not a  
20 television person at all. I'm just a viewer like the  
21 rest of you, but I commend the people that step up to  
22 the plate in the business, that do a good job like

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1 KSBW who are in this marketplace.

2 But being a radio person, which is what  
3 I've spent my career in, unfortunately a lot of years  
4 and a lot of gray hair, I'd like to really say that  
5 radio in a lot of markets -- and I'm going to salute a  
6 couple of my very tough competitors up in San  
7 Francisco, KGO, KCBS, KQED, the public station - all  
8 do a fabulous job with coverage, and these are all  
9 basically 24-hour a day operations.

10 (Applause.)

11 MR. TWEEDLE: And do you know what? We  
12 live or die by the Arbitron ratings. There are 48  
13 stations that make the book pretty much every time  
14 around, and our success or failure commercially  
15 depends on our ability to deliver an audience.

16 And the KGOs and the KCBSs of the world  
17 are right up there, and they do a great job, and I'm  
18 proud to say that our company owns two great news  
19 operations, WTOP in Washington, D.C. and KSLM in Salt  
20 Lake.

21 So we very much march to that tune in the  
22 markets where we can operate those kinds of stations.

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1 COMMISSIONER ABERNATHY: Could I do one  
2 quick follow-up on this same area, which is I'd like  
3 to hear from Mr. Dominguez about Telemundo's  
4 experience as far as broadcasting more political  
5 information, information about elections and  
6 candidates. And then the viewership of that, and what  
7 you've learned or haven't learned from the Hispanic  
8 community reaction.

9 MR. DOMINGUEZ: One of the things that we  
10 have done through all the television stations that I  
11 have, is that we also feel that we are, as I mentioned  
12 before, bridged for that underserved community. So  
13 part of it is also bringing some of the issues that  
14 are affecting a lot of our audience that does not  
15 vote. So part of what we do, besides just covering  
16 each one of the propositions that is up, and we have a  
17 commitment to each one, and each one of the local  
18 politics, so for the coverage areas that we have, it's  
19 11 counties. We try to get those issues where there's  
20 the highest concentration of Hispanics.

21 And then in addition to that, we also have  
22 a commitment that, the 20 years that I've been in the

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1 business, we unite with local organizations or with  
2 the Southwest Voter Registration Project to make sure  
3 that there are citizenship campaigns and voter  
4 registration campaigns, and then getting out the vote  
5 campaign. So it's about covering each one of the  
6 issues, and each one of the sides in any one of the  
7 key elections, supervisory elections. And currently,  
8 we also initiated quite a few different segments  
9 during our newscast besides breaking news where it's  
10 called "Talk to Your Leaders", so we do interviews  
11 with different Mayors, Chief of Police, covering some  
12 of those issues that come to us from the public.

13 (Applause.)

14 COMMISSIONER ABERNATHY: Thank you very  
15 much. So here's the question. We can move straight  
16 to Panel II with no official break, and leave the  
17 break before the public mic time, or we can take a  
18 very quick break, but I'm afraid of getting people  
19 coming and going, so what we could do is just -- those  
20 who want us to continue say "yea."

21 (Audience response.)

22 COMMISSIONER ABERNATHY: Okay. Well,

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1 those who don't? All right. We're going to continue.  
2 Also, the panelists, if anyone needs to get up, please  
3 do so. I mean, we're not trying to make people suffer  
4 up here. I'd like for Secretary Dortch to introduce  
5 the second panel.

6 SECRETARY DORTCH: In order of  
7 presentation, the speakers are Harry J. Pappas,  
8 President and CEO, Pappas Telecasting Companies,  
9 Visalia, California; John P. Connolly, National  
10 President, American Federation of Radio and Television  
11 Artists, Los Angeles, California; Kathy Baker,  
12 Executive Vice President, Buckley Radio; General  
13 Manager, KWAV-FM and KIDD-AM, Monterey California;  
14 Davey D. Disc Jockey,

15 (Applause.)

16 SECRETARY DORTCH: KPFA-FM, Berkeley,  
17 California; Delia Saldivar, Regional Manager, KHDC-FM  
18 (Radio Bilingue, Inc.),

19 (Applause.)

20 SECRETARY DORTCH: Salinas, California;  
21 Harry B. Robins, Jr., Emergency Services Manager,  
22 Monterey County, California; and Warren L. Trumbly,

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1 President, Community Broadcasters Association, Zephyr  
2 Cove, Nevada; Vice President, Broadland Properties,  
3 KAXT-CA, San Jose, California.

4 (Laughter.)

5 COMMISSIONER ABERNATHY: All right. Let's  
6 first hear from Mr. Pappas who's here from Pappas  
7 Telecasting.

8 MR. PAPPAS: Commissioners, fellow  
9 panelists, distinguished guests, and members of the  
10 public, good evening. I am pleased to appear before  
11 you today as a broadcaster who just celebrated his  
12 40th anniversary in this great industry, but also as a  
13 concerned citizen who believes that localism is  
14 increasingly quite endangered.

15 Regulatory action is required to ensure  
16 that we are able to fulfill our duties without  
17 improper restraint by those who are not licensed to  
18 serve a local market.

19 (Applause.)

20 MR. PAPPAS: The public has a legitimate  
21 concern when localism and diversity are threatened by  
22 increased network dominance of over-the-air TV, and

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1 the public senses that the increase in profanity and  
2 indecency on television has occurred as a consequence  
3 of such increased dominance in the last 15 years. I  
4 think there is reason for such concern, and here's  
5 why.

6 Free, over-the-air broadcasting is the  
7 means by which we're bound together as a nation. It  
8 is our national public space, and a symbol of our  
9 democracy. In authorizing local broadcast stations,  
10 Congress gave them a special mandate to serve local  
11 communities, and indeed, the network affiliate  
12 relationship reflects in a significant sense the  
13 principles of federalism on which this nation is  
14 founded.

15 The Commission has consistently reaffirmed  
16 the obligation of broadcast licensees to air  
17 programming that is responsive to the interest and  
18 needs of the diverse local communities we're  
19 privileged to serve. And as the recent hearings in  
20 Congress on broadcast indecency reflect, local  
21 broadcasters can also be the best defense against  
22 indecent and profane network program content.

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1           However, our ability to discharge that  
2           statutory duty to program in the interest of our local  
3           viewers is limited by certain Big Four network  
4           practices. This tension between the law and the true  
5           realities of the network affiliate relationship has  
6           been clearly outlined by the Network Affiliated  
7           Stations Alliance in its petition filed before the FCC  
8           in March of 2001.

9           Today, local affiliates have been  
10          virtually stripped of any right to receive network  
11          programming in advance, and to evaluate its content.  
12          An affiliate is now asked to pay compensation and even  
13          risks losing its affiliation if it preempts more than  
14          a specified number of hours of Big Four network  
15          programming. And as the result of unduly relaxed  
16          federal oversight, the Big Four networks are in a  
17          position to effectively deny local stations the  
18          ability to reject network programs that may simply be  
19          unsuitable for their local market, or to substitute  
20          programs of greater local interest or importance.

21                 Lastly, certain Big Four networks now seek  
22          complete control over all of their local affiliates

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1 digital spectrum by seeking to require those stations  
2 to carry unspecified digital content in violation of  
3 the FCC's option time rules. Unfortunately, unless  
4 the Commission, and we, forthrightly reverse this  
5 trend, local stations will become mere passive network  
6 conduits for national network programs, to the great  
7 detriment of you, our viewers, and to our democracy.

8 The bottom line is this - localism depends  
9 on a balanced network-affiliate relationship. Localism  
10 will not survive unless the proper parameters of that  
11 relationship are restored by prompt affirmative action  
12 by this Commission.

13 Localism also depends on the continued  
14 viability and robustness of free over-the-air TV. The  
15 simple truth is that Americans are increasingly being  
16 made to pay for what they used to get for free 20 or  
17 30 years ago.

18 (Applause.)

19 MR. PAPPAS: For example, in the 1960s, the  
20 National Football League promised that if it were  
21 given Anti-Trust Immunity, it would not go to pay TV.  
22 Decades ago, the public was assured that collegiate

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1 sports would primarily be on free over-the-air TV, and  
2 now you know much of the NFL games and college sports  
3 are on pay TV.

4 The repeal of the Financial Interest In  
5 Syndication or FINSYN Rules has effectively strangled  
6 independent TV production. The repeal of FINSYN,  
7 which I confess I once supported, together with the  
8 Commission's unwillingness to enforce its network  
9 affiliation rules for much of the last decade and a  
10 half, have effectively assured that independently  
11 produced programming is shut out of prime time or  
12 prime access periods.

13 The impact on consumers of all this is  
14 tangible. Not only are they now required to pay for a  
15 lot of popular programming that they used to get for  
16 free, but they are also deprived of the diversity in  
17 offerings that a vibrant, independent production  
18 market once provided.

19 If the FCC is genuinely committed to  
20 preserving localism, I believe that it must assure the  
21 right of local stations to truly control the  
22 programming that goes over the air, and it must assure

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1 that independent production doesn't disappear from TV.  
2 It must also assure the continued viability of free  
3 over-the-air local broadcasting, which can't survive  
4 in an advertising supported context if its critical  
5 mass of viewers continues to dwindle because of benign  
6 neglect by Congress and the Commission.

7 (Applause.)

8 MR. PAPPAS: Why does the viability of  
9 over-the-air local stations matter to you? Because  
10 broadcasters have largely kept their promise to the  
11 American people. And yes, to our government. Local  
12 over-the-air stations have an unmatched record of  
13 community service and of broadcasting in the public  
14 interest. And long ago, this Commission fostered the  
15 establishment of more news stations nearly all UHF, to  
16 promote diversity and competition, and it worked.

17 Our first TV station, KMPH in Visalia,  
18 Fresno went on the air in 1971. It was the first  
19 independent station outside of the top 20 markets to  
20 launch local news in 1979. Now we carry nearly 30  
21 hours per week of live local news.

22 Today most UHF stations that went on the

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